

fund with which the new loans could be finally redeemed. And again because nearly the whole aggregate of the securities held by the sinking funds, as shown by Statement F, consists of the cancelled securities of the State, cancelled under the provisions of the Code and the Act of 1890 amendatory thereof. It is therefore absolutely clear, that these securities thus cancelled and made unmarketable, cannot be converted into money, or availed of to pay off the obligations due by the State to its creditors, either now or hereafter.

It consequently follows that the rates now levied under existing laws cannot safely be reduced, though some modification of those laws may be wisely made so as to transfer some of the taxes from one to another sinking fund as hereinbefore suggested.

In retiring from the office of Comptroller, which I have held for the past four years, I wish to express my thorough appreciation of the assistance received from Mr. Benjamin N. Wright, the chief clerk of the office. I also take pleasure in returning my thanks to all the clerks of this department for their attention and fidelity to the duties of their respective positions.

L. VICTOR BAUGHMAN,

*Comptroller.*